



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
Jim Nussle, *Chairman*

309 Cannon House Office Building
Washington, DC 20515 • (202) 226-7270
Rich Meade, *Chief of Staff* • www.budget.house.gov

Volume 3, No. 20

15 October 2003

FISCAL YEAR 2004 DEFENSE AND IRAQ AND AFGHANISTAN RECONSTRUCTION EMERGENCY SUPPLEMENTAL APPROPRIATIONS H.R. 3289

SUMMARY

On 14 October 2003, the House Committee on Appropriations reported an emergency supplemental bill (H.R. 3289, H. Rept. 108-312) providing a net of \$86.856 billion in emergency budget authority [BA] in fiscal year 2004 and \$36.599 billion in outlays. The bill provides funds for defense and Iraq and Afghanistan reconstruction.

Although the bill pushes total appropriations well above the Appropriations Committee's 302(a) allocation, it does not give rise to a point of order under the Congressional Budget Act. This is because the appropriations in the bill are designated as emergency spending, which is not counted for

the purpose of enforcing the budget resolution. Specifically, the bill contains language designating amounts made available as emergency requirements pursuant to section 502 of the fiscal year 2004 budget resolution (H.Con.Res. 95).

Enactment of the recent continuing resolution (H.J.Res. 69, Public Law 108-84) had a full-year cost that exceeded – by \$3.719 billion – the amount provided in the 302(a) allocation to the Appropriations Committee. Because the amounts in this supplemental appropriation are designated as emergency spending, the \$86.9 billion will not be added to the existing breach of the 302(a) allocations.

Table 1: Fiscal Year 2004 Emergency Supplemental Appropriations
(fiscal years; millions of dollars)

Function	Request	House Reported	Difference
Budget Authority	87,048	86,856	-192
Outlays	36,761	36,599	-162
<i>Defense (050) BA</i>	<i>65,568</i>	<i>65,248</i>	<i>-320</i>
<i>Defense Outlays</i>	<i>31,102</i>	<i>30,151</i>	<i>-951</i>
<i>Nondefense BA</i>	<i>21,480</i>	<i>21,608</i>	<i>128</i>
<i>Nondefense Outlays</i>	<i>5,659</i>	<i>6,448</i>	<i>789</i>

COST OF THE LEGISLATION

As reported, H.R. 3289 provides \$86.856 billion in emergency fiscal year 2004 budget resolution [BA] and \$36.599 billion in outlays. The bill is \$192 million in BA less than requested by the President (see Table 1 above). It

provides \$65.248 million in defense BA (function 050), \$320 million less than requested by the President, due largely to the creation of a separate account for the Coalition Provisional Authority and a change in its budget function

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from National Defense (Function 050) to International Affairs (Function 150). (Budget functions are the categories into which spending amounts are distributed in the budget resolution.) The bill includes \$21.608 billion in nondefense BA, largely for international affairs spending; the bill provides \$128 million more than requested by the President, again, due to the change in the budget function of the Coalition Provisional Authority. Absent the change in the

budget function of the Coalition Provisional Authority, the bill provides \$730 million less than requested by the President for nondefense spending.

The bill contains \$35.8 million in rescissions of previously enacted BA for diplomatic and consular programs approved in the fiscal year 2003 Iraqi conflict supplemental (Public Law 108-11).

COMPLIANCE WITH THE BUDGET RESOLUTION

Because the bill designates every appropriation providing new budget authority as an emergency requirement – pursuant to section 502 of H. Con. Res. 95 – the amounts provided by this bill are not included in determining compliance with the budget resolution.

Although the bill technically complies with the resolution, the Appropriations Committee report (H. Rept. 108-312) does not include the explanation describing the manner in which the emergency amounts meet the criteria of necessary, sudden, urgent, unforeseen, and temporary that is

also required by the budget resolution. Hence, it is difficult to determine the extent to which funds provided by this bill are expected to be necessary only in the current fiscal year.

As noted above, the recently enacted continuing resolution (H.J.Res. 69, Public Law 108-84) provides appropriations that exceed by \$3.719 billion the amount provided in the 302(a) allocation to the Appropriations Committee. Because the amounts in this supplemental appropriation are designated as emergency spending, the \$86.9 billion will not be added to the existing breach of the 302(a) allocations.

DISCUSSION

The bill, as reported, is \$192 million less than requested by the President. Table 2, on the next page, compares the President's request to the House-reported bill, by agency. In terms of general categories:

Defense

The House reported version provides \$66.0 billion for the Department of Defense, or \$538 million more than requested by the President. The bill funds the following accounts:

- *Military Personnel* - The bill provides \$17.143 billion. This is \$670 million less than requested by the President due to the transfer of funds from Army Military Personnel to Army Operation and Maintenance. The transfer facilitates contracting for civilian security guards to replace Reserve soldiers providing security at Army installations.
- *Operations and Maintenance {O&M}* - The bill provides \$40.942 billion for military operations and maintenance. This is \$86 million less than requested by the President due largely to the transfer of funds to a separate account for the Coalition Provisional

Authority. It is partially offset by an increase to accommodate the contract for civilian security.

The bill contains a general provision allocating \$413 million from O&M and procurement accounts for recovery and repairs due to Hurricane Isabel.

- *Coalition Provisional Authority [CPA]* - The bill provides \$858 million for CPA expenses. The Appropriations Committee provided these funds in a separate line item, rather than as part of the appropriations for the Army's operation and maintenance account, as requested by the President.
- *Procurement* - The bill provides \$5.623 billion for procurement, \$374 million more than requested by the President, largely due to additional funds for the Army's prepositioned stocks (\$249 million), communications (\$83 million) and portable radio jammers (\$46 million).
- *Research, Development, Testing, and Evaluation* - The bill provides \$269 million, \$70 million less than requested by the President due to a reduction in defensewide programs.

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Table 2: Fiscal Year 2004 Emergency Supplemental Appropriations by Agency
(fiscal years; millions of dollars)

Agency	Request 2004 BA	Request 2004 OL	House Reported 2004 BA	House Reported 2004 OL	Difference BA	Difference OL
Department Defense	65,466	31,024	66,004	30,663	538	-361
<i>Military Personnel</i>	17,813	16,940	17,143	16,301	-670	-639
<i>Operations and Maintenance</i>	41,028	12,250	40,942	11,868	-86	-382
<i>Coalition Provisional Authority Expenses</i>	0	0	858	590	858	590
<i>Procurement</i>	5,249	1,346	5,623	1,395	374	49
<i>Research, Development, Testing, Evaluation</i>	339	87	269	70	-70	17
<i>Revolving Funds</i>	624	197	624	197	0	0
<i>Military Construction (Incl. Family Housing)</i>	413	117	545	159	132	42
<i>Allowances</i>	0	87	0	83	0	-4
International Programs	21,481	5,659	20,712	5,826	-769	167
<i>Iraq Relief and Reconstruction</i>	20,304	5,215	18,649	4,906	-1,655	-309
<i>Department of State</i>	308	112	629	279	321	167
<i>International Security Assistance Programs</i>	829	302	1,254	552	425	250
<i>Agency for International Development</i>	40	30	140	55	100	25
<i>Broadcasting Board of Governors</i>	0	0	40	34	40	34
Department of Homeland Security (Coast Guard)	80	64	103	83	23	19
Department of Justice	16	11	31	24	15	13
Department of Energy	3	2	3	2	0	0
Other	2	1	3	1	1	0
Total	87,048	36,761	86,856	36,599	-192	-162

- *Military Construction* - The bill provides \$545 million for military construction and family housing projects, \$132 million more than the President's request, due to additional funds for storm damage to military facilities.

International

The House provided \$20.712 billion for international programs, \$769 million less than requested by the President. The House bill includes funding for Iraq relief and reconstruction (\$18.649 billion); Afghanistan relief (\$1.174 billion); contributions for international peacekeeping operations in Liberia (\$245 million); State Department (\$214 million); Economic Support Fund debt reduction for Pakistan (\$200 million); Agency for International Development [AID] international disaster and famine assistance (\$100 million) and AID expenses (\$40 million); multinational peacekeeping expenses (\$50 million); and the Broadcasting Board of Governors (\$40 million).

- *Iraq* - The bill provides \$18.649 billion for Iraq relief and reconstruction, \$1.655 million less than requested by the President. Funding includes: security and law enforcement (\$3.243 billion); repair and rehabilitation of electrical operation and distribution infrastructure (\$5.560 billion); water resources and sanitation (\$4.332 billion); rebuilding oil infrastructure and purchase energy stocks (\$2.1 billion); justice, public safety, and

infrastructure (\$1.318 billion); health care programs (\$793 million); transportation and communications programs (\$500 million); road and bridge construction (\$370 million); refugees, human rights, and governance programs (\$280 million); and, private sector development (\$153 million). The bill also prohibits the use of these funds to pay the debt of the former regime.

- *Afghanistan* - The bill provides \$1.174 billion for Afghanistan relief and reconstruction, \$375 million more than requested by the President. Funding includes \$672 million in Economic Support Funds for: the construction of roads in Afghanistan (\$191 million); schools and education (\$95 million); private sector development and power generation (\$95 million); Afghanistan central government assistance (\$70 million); elections and improved governance (\$69 million); provincial reconstruction team needs (\$50 million); health services (\$49 million); disarmament and reintegration projects (\$30 million); and, water projects (\$23 million).

Also provided are \$170 million for law enforcement training and equipping of the Afghan National Police and Border Police, and training of prosecutors, court officials, and the judiciary; \$297 million for training for a new Afghan army; and \$35 million for antiterrorism, demining, and security programs.

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Other

The bill also provides funds for the Coast Guard (within the Department of Homeland Security) (\$103 million); the Department of Justice (\$31 million); the Department of

Energy (\$3 million); and the Intelligence Community Management Account (\$3 million). Spending for the Coast Guard is \$23 million above the President's request, and spending for the Justice Department is \$15 million above the President's request.

Prepared by Lynn Kremer, Budget Analyst
Daniel J. Kowalski, Director of Budget Review